

**UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF MICHIGAN**

In re:

MARGARET A. ZAJAC,

Case No. HT03-06167

Debtor.

Chapter 7

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**TRUSTEE'S REPORT OF SALE REGARDING NOTE AND MORTGAGE**

James W. Boyd, the duly-appointed Chapter 7 Trustee in this matter, pursuant to F.R.Bankr.P. 6004(f)(1), states as follows:

1. This matter was filed pursuant to Chapter 7 of the Bankruptcy Code on May 13, 2003.
2. Property of the bankruptcy estate includes residential real property located at 297 Fourth Avenue, Manistee, Michigan. The Debtor has \$17,425 in exemption available to apply to the equity in the amount of \$45,000, resulting in an overexemption of \$27,575.
3. To resolve the overexemption, the Debtor executed an eight-year Note payable to the Trustee in the principal amount of \$27,575, and granted the Trustee a mortgage on the subject property.
4. The Trustee solicited bids for purchase of the Trustee's interest in the note and mortgage by posting the asset on a website which lists bankruptcy assets for sale, as well as by contacting known purchasers of such assets. An initial bid of \$13,500 was received. The Bankruptcy Court authorized the Trustee to sell the note and mortgage pursuant to an *Order Confirming Sale of Note and Mortgage* dated November 19, 2004, which allowed the Trustee to proceed with a telephonic auction, and sale of the note and mortgage for not less than \$13,500.
5. A telephonic auction was conducted on December 2, 2004 with three interested parties participating. The note and mortgage were sold to the highest bidder, Cedarcrest Capital, LLC, of 175 West 92<sup>nd</sup> Street, Suite 3A, New York, NY 10025, for the sum of \$18,900.
6. To the best of the Trustee's knowledge, information, and belief, the purchaser has no connection with any other party in interest and has no interest adverse to the estate.
7. The purchase money was received by the Trustee on December 9, 2004, and the bankruptcy estate's interest in the note and mortgage were conveyed to the purchaser by assignment.

Dated: December 20, 2004

/s/ James W. Boyd

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